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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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May 28, 2003

Ref: 8EPR-SR

Mr. Ed Feak
102 Mineral Avenue
Libby, MT 59923

Ms. Lynn Willis
PO Box 852
Libby, MT 59923

Dear Mr. Feak and Ms. Willis:

At a recent meeting, I explained to Mr. Feak that EPA had performed a preliminary cost analysis regarding cleanup of the 2nd Hand Store. This preliminary cost analysis showed that demolition and reconstruction of (or compensation for) the building would be considerably more expensive than cleaning the existing building. The primary factor in this is the cost of building replacement or the cost of compensation for the fair market value of the building. At the meeting, Mr. Feak asked if EPA would consider demolition of the building and some level of reduced compensation for the building and inventory, and if so, what level of compensation could be offered.

Pursuant to that conversation, I first tasked our engineering contractor with developing a more refined, itemized cost estimate for (1) cleaning of the existing structure and (2) demolition of the existing structure. If demolition or disposal would be cheaper than cleaning, we could offer the approximate value of the difference as compensation for the building. This estimate, while conservative and still not exact, suggested that the cost of cleaning, while similar, was slightly *less* than the cost of demolition. As such, while we are still willing to demolish the building, EPA cannot offer any compensation for the building if we were to demolish it.

Similarly, I tasked our engineering contractor with developing a more refined cost estimate for (1) cleaning your existing inventory and (2) disposal of your inventory at the Lincoln County landfill. Again, if disposal was cheaper than cleaning, we could offer the difference as compensation for your inventory, up to the value of the inventory as determined by a certified appraisal of its value. This estimate, while not exact, suggested that cleaning your inventory would likely cost approximately \$10,000 more than disposing of the inventory at the landfill. If you elect to dispose of your inventory, EPA would be prepared to offer you compensation for the appraised value of the inventory, up to a limit of \$10,000. This option is available whether the



building is demolished or not.

At this point, it is your decision to determine how you want us to proceed with regards to the building and your inventory. Please contact Courtney Zamora at the EPA Information Center at 293-6194 regarding your decision. Based on this input, we will move forward with developing the details necessary to implement the cleanup for your property, such as having an appraisal of your inventory performed if necessary. We are committed to performing this work during 2003 if your schedule permits.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Christiansen', with a stylized, cursive script.

Jim Christiansen
Superfund Project Manager